



United States Representative

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TAX AGREEMENT SHOULD DO MORE FOR CHILDREN AND FAMILIES AND LESS IN TAX GIVEAWAYS TO BIG CORPORATIONS

The recently announced tax framework fails to sufficiently improve the Child Tax Credit, leaving millions of middle-class families without a tax cut like they received in 2021 and keeping millions of children in preventable poverty because of a policy choice. The agreement lacks equity, providing a massive tax cut to big corporations without offering middle- and working-class families true economic security, as was achieved with the expanded, monthly Child Tax Credit under the American Rescue Plan. It is crucial that the tax framework be improved to ensure a substantial tax cut to middle- and working-class families, rather than solely benefitting big corporations.

What's on the table fails children and families

- FAILS to make the full child tax credit available as a refund to families with little or no taxable income, which the 2021 pandemic relief law allowed.
 - The lowest-earning families continue to receive no Child Tax Credit.
- At a time when big corporations are making record profits and are profiteering, the idea that we have to evenly split the pot with poor children is absurd.
 - This is especially insulting when you consider many of the largest corporations pay little to no tax.
- FAILS to provide real, and unprecedented economic security for middle- and working-class families, as did the expanded, monthly Child Tax Credit passed in the American Rescue Plan, which:
 - Was the largest tax cut for middle- and working-class families in a generation.
 - Lifted 4 million children out of poverty and cut hunger by more than one-quarter.
 - The same increased monthly credit went to poor, working, and middle-class families.

Big corporations, not paying taxes, get big write-offs to boost already outrageous profits

- Corporate profits are near a record high – close to \$3 trillion in 2023, according to the Bureau of Economic Affairs.
- Corporate profits are now at [the highest share of national income](#) in more than 10 years, meaning the labor share – the portion of the economy that is calculated based on what workers earn - is flat or decreasing.
- In 2020, at least 55 of the largest corporations did not pay taxes at all, according to the Institute on Taxation and Economic Policy.

- Corporate tax cuts being proposed cost much MORE long-term than the Joint Committee on Taxation (JCT) estimates, [according to the Committee for a Responsible Federal Budget](#).
- Even House Ways and Means Committee Chairman Jason Smith said, “This legislation locks in over \$600 billion...” in tax cuts.
 - \$600 billion is the cost of making these three business tax credits permanent.

Big Corporations get richer, families with children get poorer.

- “Between 2021 and 2022, median post-tax real income among households with at least one child 17 or younger fell by more than \$4,250, due in part to the reduction in the Child Tax Credit (CTC),” according to the Council of Economic Advisors.
 - These households’ median post-tax income would have been over \$2,600 higher in 2022 had they received the expanded CTC.
 - As a result, 61 percent of the drop in median post-tax household income for families with children can be explained by the CTC policy change.

Reality Check: Republicans push ‘temporary’ breaks aiming for permanent pro-corporation changes

- Republicans are pushing just a three-year extension of corporate tax breaks and using scores that assume these tax breaks will just be temporary to constrain a smaller expansion of the Child Tax Credit.
- If these tax breaks are ultimately made permanent, as the Republicans intend, the three-year cost is actually four-times higher, accounting for nearly 80 percent of the total package’s cost instead of 50 percent.
- Since we would be in fact locking in \$600 billion for corporations, we should treat children and families equally.